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SUCCESS STORY

Gem Dealers Leave Streets for Market

Small-scale dealers can now sell gemstones in a formal market



Holinirina describes the gemstones she has for sale to clients at the biweekly Gemstones Market in Antananarivo, the capital of Madagascar.

USAID helped gemstone dealers create a safe and secure environment for the sale and purchase of industrial, semi-precious, and precious stones.

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Holinirina was once a small vendor who lived day-to-day by selling gemstones in plain paper packages on the streets in an environment of fear, distrust, and insecurity. Since these gemstone vendors are forced to make quick back-alley deals,

they accept prices from buyers that are far lower than the value of their stones. They operate in the informal market to avoid government regulation and taxation of their activities. From a seller's perspective, taxes cut into already marginal profits and will not provide any benefits to the vendors themselves. From a buyer's perspective, there is reluctance to invest without reliable assurances concerning the authenticity, quality, and value of the stones they wish to acquire.

Photo: Chemonics/Zo Maminiso Ralisonman

Since 2004, USAID has supported a program to create a safe and secure environment for the sale and purchase of industrial, semi-precious, and precious stones. The result is a biweekly Gemstones

Market that has generated over \$158,000 in sales and attracted over 15,900 visitors. Gemologists from the Institute of Gemology of Madagascar attend to verify the quality of the stones and representatives of the Ministry of Energy and Mines provide administrative assistance, especially to foreign buyers.

To ensure the market continues to grow even after the program finishes, USAID helped create a Gemstones Market Association, run by the sellers of gemstones, which is taking over the task of organizing and managing the market's day-to-day operations. Holinirina is now an active member of this Gemstones Market Association. More than 50 members of participating associations have benefited from various training sessions, and a dozen have even participated in international gem fairs in Bangkok and Tucson.

The Antananarivo Gemstones Market has become a highlight of the city's downtown, fueling thought of a more permanent gemstones market, run entirely by the stakeholders themselves.